

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G-20471A - Payson Division
SemStream Arizona Propane, LLC
200 W. Longhorn Road
Payson AZ 85541

RECEIVED

APR 12 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Gas

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2010 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 02 | 10 |
|--------|----|

4-14-11

COMPANY INFORMATION

Company Name (Business Name) SemStream Arizona Propane LLC- Payson Division

Mailing Address 200 W. Longhorn Rd
(Street)

Payson AZ 85541
(City) (State) (Zip)

928 474-2294 928 474-0909
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Dmann @ semgroupcorp.com

Local Office Mailing Address 200 W Longhorn Rd
(Street)

Payson AZ 85541
(City) (State) (Zip)

928 474-2294 928-474-0909
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Dmann @ semgroupcorp.com

MANAGEMENT INFORMATION

☐ Regulatory Contact:

☒ Management Contact: Douglas R Mann General Manager
(Name) (Title)

200 W. Longhorn Rd Payson AZ 85541
(Street) (City) (State) (Zip)

928 474 2294 928-474-0909
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address Dmann @ semgroupcorp.com

On Site Manager: Douglas R Mann
(Name)

200 W Longhorn Rd Payson AZ 85541
(Street) (City) (State) (Zip)

928 474-2294 928-474-0909
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address: Dmann @ semgroupcorp.com

Statutory Agent: Douglas R Mann
(Name)

200 W. Longhorn Rd Payson AZ 85541
(Street) (City) (State) (Zip)

928-474-2294 928 474-0909
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Michael M Grant Gallagher + Kennedy
(Name)

2575 E Camelback Rd Phoenix AZ 85091
(Street) (City) (State) (Zip)

602 530 8291 602 530-8500
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address mmg@gknet.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input checked="" type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input checked="" type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box(es) for the services that you are authorized to provide:

☒ Gas

☐ Natural Gas

☒ Propane

☐ Other (Specify) _____

STATISTICAL INFORMATION

GAS UTILITIES ONLY

Total number of customers

Residential

Commercial

Industrial

Irrigation

Resale

7513

6985

744

84

Total therms sold

Residential

Commercial

Industrial

Irrigation

Resale

3,278,507 therms

2,308,801

438,431

531,275

COMPANY NAME: SemStream Arizona Propane LLC Payson Division

UTILITY SHUTOFFS / DISCONNECTS

| MONTH | Termination without Notice R14-2-311.B | Termination with Notice R14-2-311.C | OTHER |
|-----------|---|--|-------|
| JANUARY | | 1 | |
| FEBRUARY | | 10 | |
| MARCH | | 17 | |
| APRIL | | 11 | |
| MAY | | 21 | |
| JUNE | | 15 | |
| JULY | | 11 | |
| AUGUST | | 12 | |
| SEPTEMBER | | 17 | |
| OCTOBER | | 14 | |
| NOVEMBER | | 2 | |
| DECEMBER | | 1 | |
| TOTALS → | | 132 | |

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

| |
|---|
| COUNTY OF (COUNTY NAME) |
| <u>Gila</u> |
| NAME (OWNER OR OFFICIAL) TITLE |
| <u>Douglas R Mann</u> |
| COMPANY NAME |
| <u>SemStream Arizona Pipeline LLC - Payson Div.</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2010</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 6,244,928

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 500,574
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Douglas R. Mann
SIGNATURE OF OWNER OR OFFICIAL
928 474 2294
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

Joanna Jones

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

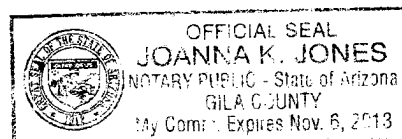
THIS 13th DAY OF

(SEAL)

| | |
|--------------------|-------------|
| COUNTY NAME | |
| <u>Gila</u> | |
| MONTH <u>April</u> | <u>2011</u> |

Joanna K Jones
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Nov. 6, 2013



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
2011-11-17
ACC UTILITIES DIRECTOR

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|--|---------------------------------|
| COUNTY OF (COUNTY NAME) <u>Gila</u> | |
| NAME (OWNER OR OFFICIAL) <u>Douglas R Mann</u> | TITLE <u>General Manager</u> |
| COMPANY NAME <u>SemStream Arizona Propane LLC - Payson Division</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2010</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>4623039</u> |
|--|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 370796
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Douglas R Mann
SIGNATURE OF OWNER OR OFFICIAL
928 474 2294
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

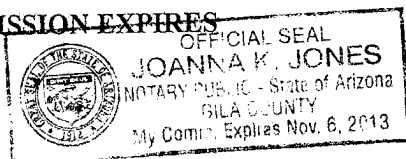
THIS

13th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



| | |
|---|--------------|
| NOTARY PUBLIC NAME <u>Joanna Jones</u> | |
| COUNTY NAME <u>Gila</u> | |
| MONTH <u>April</u> | 20 <u>11</u> |

Joanna K Jones
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2010) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

SemStream Arizona Propane, LP
Payson Division
Income Statement
For the year ending December 31, 2010

| | |
|--------------------------|----------------------------|
| Sales | 5,878,925 |
| Cost of Sales | <u>3,532,477</u> |
| Gross Profit (Loss) | 2,346,448 |
| Operation Expenses | 951,353 |
| G&A Expenses | <u>862,413</u> |
| EBITDA | \$ 532,682 |
| Interest | 6,129 |
| Depreciation | 475,894 |
| Amortization | <u>642,999</u> |
| Net Income (Loss) | <u>\$ (592,340)</u> |

SemStream Arizona Propane, LP
Payson Division
Balance Sheet
As of December 31, 2010

ASSETS

Current Assets:

| | | |
|------------------------------|-----------|-----------|
| Cash and Cash Equivalents | 2,335,974 | |
| Accounts Receivable | 138,804 | |
| Accrued Gas Receivables | 910,171 | |
| Inventory | 97,789 | |
| Deferred Purchased Gas Costs | 1,258,571 | |
| Prepaid Items | 102,274 | |
| Other Current Assets | - | |
| | <hr/> | |
| Total Current Assets | | 4,843,583 |

Property Plant and Equipment:

| | | |
|-------------------------------------|-----------|-----------|
| Gross Property, Plant and Equipment | 7,813,349 | |
| Less Accumulated Depreciation | (522,718) | |
| | <hr/> | |
| Net Property, Plant and Equipment | | 7,290,631 |

Other Long Term Assets:

| | | |
|---|-----------|-----------|
| Goodwill | 3,555,760 | |
| Other non-current assets-offset of CIAC | 513,020 | |
| Other Intangibles (net | 3,506,000 | |
| Other Long Term Asset | 12,013 | |
| | <hr/> | |
| Total Other Long Term Assets | | 7,586,793 |

| | | |
|--------------|--|--------------------------|
| Total Assets | | <u><u>19,721,007</u></u> |
|--------------|--|--------------------------|

LIABILITIES

Current Liabilities:

| | | |
|---|-----------|-----------|
| Accounts Payable | 13,478 | |
| Intercompany payables | 1,393,912 | |
| Deferred Purchased Gas Costs - Unbilled | 654,889 | |
| Accrued Liabilities | 138,286 | |
| Customer Deposits | 101,464 | |
| | <hr/> | |
| Total Current Liabilities | | 2,302,029 |

| | | |
|--|--|---------------|
| Contributions in Aid of Construction - net | | <hr/> 489,564 |
|--|--|---------------|

| | | |
|-------------------|--|-----------|
| Total Liabilities | | 2,791,593 |
|-------------------|--|-----------|

| | | |
|--------------------------------|------------|------------|
| Retained Earnings - prior year | (392) | |
| Net Income | (592,340) | |
| Contributed Capital | 17,522,146 | |
| | <hr/> | |
| Total Retained Earnings | | 16,929,414 |

| | | |
|------------------------------|--|--------------------------|
| Total Liabilities and Equity | | <u><u>19,721,007</u></u> |
|------------------------------|--|--------------------------|